

North Lily Mining Company

State of Utah Department of Natural Resources Division of Oil, Gas, and Mining Mr. Wayne Hedberg, P.E. 355 West North Temple 3 Triad Center, Suite 350 Salt Lake City, Utah 84180-1203 March 22, 1991



DIVISION OF OIL GAS & MINING

Dear Mr. Hedberg,

Enclosed is the Reclamation Contract needed to complete the amendment for the Tintic Project # M/023/007, Juab County, Utah.

As per phone conversation on March 22, 1991, the arrangement for the Certificate of Deposit will be made between the Division of Oil, Gas and Mining, North Lily Mining and First Security Bank; Payson Office. Faxed copies of the agreement will be signed with originals being mailed. The bank has agreed that if the authorization and signature card are faxed and then the originals mailed, then they would roll the old CD over to the new one. Please send the fax and then mail letter to:

Attention: Barbara Butler

First Security Bank Payson Office 95 North Main Payson, Utah 84651 (801) 465-9216 (801) 465-4305 (fax)

Following are the comments to the Conditions to be Resolved:

R613-004-106, Operations Plan

The questions concerning the source for any material required to reline any unsuitable area in the base of the pad: The source of this material will be from within the boundary of the pad itself. The pad area is a high quality clay bed. A subsurface will



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be achieved by simply cutting and filling appropriate material, leaving quality clay as the finished surface of the pad base. Any unsuitable material will be removed prior to the finished grading. The identification of the suitable and unsuitable material has been addressed in the test pit prior to construction.

The question concerning the amount of free board in the ponds being adequate for Phase III: It has been agreed with the Department of Health, BWPC that before Phase III can be completed, an additional storage pond will be constructed.

R613-004-110, Reclamation Plan

The question concerning the closing and stabilizing of plant roads is understood.

To clarify the topsoil stockpile final depository: Any area used to store topsoil from construction will be regraded and revegetated as the plan directs. The topsoil itself will be used in the reclamation of the mine site as directed.

R613-004-113, Surety

Certificate of Deposit in the amount of \$158,900.00 made out in the name of Department of Natural Resources, Division of Oil, Gas and Mining, complying with current policy.

Sincerely yours,

Grant A. Pinkerton General Manager

Enclosures

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